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Congress of the United States
House of Representatives
Washington, DC 20515-2208

September 17, 2003

RE: Petition P3-03

Bryant L. VanBrakle
Secretary
Federal Maritime Commission
800 North Capitol Street, NW
Washington, DC 20573

Dear Commissioners:

I write today to express my support of the United Parcel Service (UPS) petition currently pending before the FMC. UPS has filed for an exemption from the prohibition on Non-Vessel Operating Common Carriers (NVOCCs) from entering into confidential contracts with their customers. Due to the operational characteristics of UPS and recent developments within the ocean shipping marketplace, I believe the antiquated regulatory system governing NVOCCs should be revised.

UPS operates the most sophisticated, integrated, intermodal transportation network in the world, which includes air, rail and surface and NVOCC transportation, and is deemed a "carrier" in the surface and air freight industries. UPS makes significant annual capital investments to its' asset-based transportation infrastructure. This sets it apart from the companies that first raised concerns about the regulatory status of NVOCCs. Additionally, the state of the U.S. ocean shipping industry has changed dramatically since passage of the Ocean Shipping Reform Act (OSRA) in 1998. There has been unprecedented consolidation among ocean carriers resulting in the loss of major U.S. flagged carriers. In an effort to offer customers a full range of services, these very same carriers have created vertically integrated logistics companies that now compete with NVOCCs.

The UPS petition, citing the recent evolution of the ocean shipping marketplace, is precisely the reason Congress granted such broad exemption authority to the FMC. While anticipating dramatic changes in the ocean shipping industry with the passage of OSRA, Congress did not contemplate how fast or how smoothly the market could adapt to these changes. By granting this petition, the FMC will acknowledge these changes, level the playing field between NVOCCs and vessel operators, and ultimately benefit ocean shipping consumers around the world.

I am hopeful the FMC will give the UPS petition its' utmost consideration and render an equitable decision based upon the merits of the UPS case. Thank you for your time and attention to this matter.

Sincerely,



Mike Rogers
Member of Congress

CC: 020/030
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